Ontario Hydro Electric Inquiry Commission 1922-24
[Miscellaneous documents]

CONFERENCE

With Mr. W. R. Ostrom
of
Northern Electric Co.
Sept. 1, 1922.

Chairman: Tell us all about the merchandising activities of the Hydro. I do not know if you are a competitor or an associate. What are you, Mr. Ostrom?

Mr. Ostrom: I am District Manager of the Northern Electric Company I think you mean along the lines of the interview we had

Chairman: You can bring that in. The Hydro has been a purchaser of electrical appliances, has it not, for a number of years, and to some extent a manufacturer?

Mr. Ostrom: You use the word appliances --

Mr. Haney: Lines and switches, switchboards, etc. Anything that you are dealing in in common, where the Hydro going into it might encroach upon your business or assist your business.

Chairman: What effect has the action of the Hydro, in engaging in this business, had upon the business of those who are in the same line?

Mr. Ostrom: Well, the tendency was, we feel, to destroy the legitimate merchandising, by a jobber, of electrical appliances and apparatus, in that the Hydro would not warehouse this material; would not have a travelling selling force and would not issue catalogues and do all the things that a legitimate merchandiser does. All they would do was to say to a manufacturer "You must give us a better price than anyone else and as good a price as you give a jobber and we, in turn, will sell under the price the jobber now sells to the municipalities"-- so that the consumer got nothing cheaper than he would have otherwise and the Hydro got the profit.

Chairman: They were at nothing like the expense that a jobber would be?

Mr. Ostrom: The expense could be charged up to advertising or any old thing, I suppose. Book-keeping is a fearful and wonderful thing. The situation was such that we had a joint meeting of all the manufacturers and jobbers-- the Canadian General Electric Co., ourselves and others representing millions of capital -- and decided that we should put a proposition up to Sir Adam Beck that it was not right for them to engage in this business of selling. Using a big club to get low prices from the manufacturers. They ignored us in the first instance and then went to the manufacturers and said "You have got to give us a price."

R.A.Ross: You are a manufacturer, or are you a jobber?

Mr. Ostrom: I am talking now as a jobber.

R.A. Ross: As a manufacturer, you would accept their business but,

Chairman: Tell us all about the merchandising activities of the Hydro. I do not know if you are a competitor or an associate. What are you, Mr. Ostrom?

Mr. Ostrom: I am District Manager of the Northern Electric Company I think you mean along the lines of the interview we had

Chairman: You can bring that in. The Hydro has been a purchaser of electrical appliances, has it not, for a number of years, and to some extent a manufacturer?

Mr. Ostrom: You use the word appliances --

Mr. Haney: Lines and switches, switchboards, etc. Anything that you are dealing in in common, where the Hydro going into it might encroach upon your business or assist your business.

Chairman: What effect has the action of the Hydro, in engaging in this business, had upon the business of those who are in the same line?

Mr. Ostrom: Well, the tendency was, we feel, to destroy the legitimate merchandising, by a jobber, of electrical appliances and apparatus, in that the Hydro would not warehouse this material; would not have a travelling selling force and would not issue catalogues and do all the things that a legitimate merchandiser does. All they would do was to say to a manufacturer "You must give us a better price than anyone else and as good a price as you give a jobber and we, in turn, will sell under the price the jobber now sells to the municipalities"-- so that the consumer got nothing cheaper than he would have otherwise and the Hydro got the profit.

Chairman: They were at nothing like the expense that a jobber would be?

Mr. Ostrom: The expense could be charged up to advertising or any old thing, I suppose. Book-keeping is a fearful and wonderful thing. The situation was such that we had a joint meeting of all the manufacturers and jobbers-- the Canadian General Electric Co., ourselves and others representing millions of capital -- and decided that we should put a proposition up to Sir Adam Beck that it was not right for them to engage in this business of selling. Using a big club to get low prices from the manufacturers. They ignored us in the first instance and then went to the manufacturers and said "You have got to give us a price."

R.A.Rose: You are a manufacturer, or are you a jobber?

Mr. Ostrom: I am talking now as a jobber.

R.A. Rose: As a manufacturer, you would accept their business but,

as a jobber, you object.

Mr. Ostrom: But we do not accept their business, except at prices, which protect the other branches of the trade. Their Sales Department asked us to give them a price on six peanut valves. We quoted them exactly the same price that we would have quoted a municipality so that the municipality could have had a profit. We said to them "You give us an order and tell us to ship to the municipality and you want 15% profit. We will not do it". The same thing applies to wire cable, etc. If it is for their own use, we give them the best price; if it is for re-sale, they must come in under that classification. They would not warehouse the material, wiring devices for instance. The dealer-contractors have to stock these too. That is the function of the dealer-contractor. We do admit that they should get all the preference there is because they have to spend it in propaganda, etc.- - that is, ranges, vacuum cleaners, etc., but when it comes down to wires etc., - material used in installation -- we believe there should be a spread to take care of the different branches of the trade and, as we are working now on a gross profit of 13%, you will understand that we have to protect the other branches of the trade. We appeared before Sir Adam Beck and explained the situation. For a long time he did not seem to see it but, finally, he agreed in principle - which I believe they have carried out up to the present time - that they would leave to the jobber the merchandising of supplies. Theoretically, they do; in fact, they do not. If they get an inquiring, they come to us. We quote prices that protect the intermediary. Then they shop all over creation and get the goods where they can in order to accrue to themselves a profit. They render no service whatever. Mr. Buchanan, of the London Public Utilities, has jollied Sir Adam Beck about his ability to buy cheaper than his Purchasing Department. The ordinary municipal man is better equipped to buy than these engineers. A large industry, that maintains its own staff is treated by us the same as a contractor-dealer or a municipality. If a large is going to start up and maintain its own electrical staff, we quote them the same price as we would quote a contractor-dealer.

Chairman: Is the effect, sometimes to make a municipality pay more than if it had dealt directly?

Mr. Ostrom: Yes. The municipalities have actually paid them more than if they had bought through us. They render an engineering advisory service, which the municipality must pay for.

R.A. Ross: The inspection is in the hands of the Hydro and there would be a chance of the Hydro turning them down on the inspection, if the equipment is not purchased from them?

Mr. Ostrom: We made the statement, and we have evidence, of where a municipality had been told that, if it did not buy from the Hydro, the work would not go on.

as a jobber, your object.

Mr. Ostrom: But we do not accept their business, except at prices which protect the other branches of the trade. Their Sales Department asked us to give them a price on six peanut valves. We quoted them exactly the same price that we would have quoted a municipality so that the municipality could have had a profit. We said to them "You give us an order and tell us to ship to the municipality and you want 15% profit. We will not do it". The same thing applies to wire cable, etc. If it is for their own use, we give them the best price; if it is for re-sale, they must come in under that classification. They would not warehouse the material, wiring devices for instance. The dealer-contractors have to stock these too. That is the function of the dealer-contractor. We do admit that they should get all the preference there is because they have to spend it in propaganda, etc. - that is, ranges, vacuum cleaners, etc., but when it comes down to wires etc., - material used in installation -- we believe there should be a spread to take care of the different branches of the trade and, as we are working now on a gross profit of 13%, you will understand that we have to protect the other branches of the trade. We appeared before Sir Adam Beck and explained the situation. For a long time he did not seem to see it but, finally, he agreed in principle - which I believe they have carried out up to the present time - that they would leave to the jobber the merchandising of supplies. Theoretically, they do; in fact, they do not. If they get an inquiring, they come to us. We quote prices that protect the intermediary. Then they shop all over creation and get the goods where they can in order to accrue to themselves a profit. They render no service whatever. Mr. Buchanan, of the London Public Utilities, has joilied Sir Adam Beck about his ability to buy cheaper than his Purchasing Department. The ordinary municipal man is better equipped to buy than these engineers. A large industry, that maintains its own staff is treated by us the same as a contractor-dealer or a municipality. If a large is going to start up and maintain its own electrical staff, we quote them the same price as we would quote a contractor-dealer.

Chairman: Is the effect, sometimes to make a municipality pay more than if it had dealt directly?

Mr. Ostrom: Yes. The municipalities have actually paid them more than if they had bought through us. They render an engineering advisory service, which the municipality must pay for.

R.A. Ross: The inspection is in the hands of the H.Ydro and there would be a chance of the Hydro turning them down on the inspection, if the equipment is not purchased from them?

Mr. Ostrom: We made the statement, and we have evidence, of where a municipality had been told that, if it did not buy

Mr. Haney: That would be a bluff, I suppose?

Mr. Ostrom: Lots of things are carried through on bluff. A small town or corporation would be wise to listen to the advice of the Hydro men, when they come along.

Mr. Haney: With reference to specifications for certain devices; do the Hydro provide the manufacturer with specifications?

Mr. Ostrom: Yes. For everything electrical and we must submit samples to their laboratories and, if not approved by them, we cannot sell the articles. They have us bound.

Mr. Haney: After they stamp it as approved can you use that stamp?

Mr. Ostrom: Yes. Articles are submitted to them and approved and we are authorized to stamp themselves "Approved by Hydro". They go out and take a switch off a wall and examine it and they go to large factories and ---
They have never taken over the inspection of wire and cable in the factories but, at the same time, we do have to put on "Approved by Hydro". They duplicate the work of the Board of Fire Underwriters.

R.A. Ross: How much conflict is there between them and the Board of Fire Underwriters, There are certain cases where the National Board puts on its approval and the other fellows do not. It would mean that you could pass a certain grade of goods in the Province of Quebec and not here. You could pass it with the approval of the National Electric Light Association, without the approval of the Hydro.

Mr. Ostrom: I do not know whether you could call it conflict. We feel that there are a lot of half-baked ideas put through by these engineers of the Hydro and they get away with it. It is a difficult thing for manufacturers to keep up with their demands and they are very peremptory. They say "You do so-and-so or get out." We are constantly in hot water. Speaking as a manufacturer, we are scared to move. By the time we get our stuff approved, everyone of our competitors knows all about it. The laboratory men are clever, but they are all young. We feel that they have a lot to learn about human nature.

R.A. Ross: They are not commercial men?

Mr. Ostrom: Getting back to the merchandising proposition, they get back to the idea of being merchandisers; of taking the profit that should go to the jobber and using that for propaganda to further the sale of power. They start with the switch and conduit and supply for a range. They say, "We want to increase our load, and, in order to get the range to the consumer and get it installed, we are going to see that he gets the material as cheaply as possible, and we want to get the jobber's profit, in order to merchandise it -- but they do not merchandise it, they have no warehouse.

Mr. Haney: That would be a blurb, I suppose?

Mr. Oatrom: Lots of things are carried through on blurb. A small town or corporation would be wise to listen to the advice of the Hydro men, when they come along.

Mr. Haney: With reference to specifications for certain devices; do the Hydro provide the manufacturer with specification

Mr. Oatrom: Yes. For everything electrical and we must submit samp to their laboratories and, if not approved by them, we cannot sell the articles. They have us bound.

Mr. Haney: After they stamp it as approved can you use that stamp?

Mr. Oatrom: Yes. Articles are submitted to them and approved and we are authorized to stamp themselves "Approved by Hydro". They go out and take a switch off a wall and examine it and they go to large factories and ---
They have never taken over the inspection of wire and cable in the factories but, at the same time, we do have to put on "Approved by Hydro". They duplicate the work the Board of Fire Underwriters.

R.A. Ross: How much conflict is there between them and the Board of Fire Underwriters. There are certain cases where the National Board puts on its approval and the other fellows do not. It would mean that you could pass a certain grade of goods in the Province of Quebec and not here. You could pass it with the approval of the National Electric Light Association, without the approval of the Hydro.

Mr. Oatrom: I do not know whether you could call it conflict. We feel that there are a lot of half-baked ideas put through by these engineers of the Hydro and they get away with it. It is a difficult thing for manufacturers to keep up with their demands and they are very peremptory. They say "You do so-and-so or get out." We are constantly in hot water. Speaking as a manufacturer, we are scared to move. By the time we get our stuff approved, everyone of our competitors knows all about it. The laboratory men are clever, but they are all young. We feel that they have a lot to learn about human nature.

R.A. Ross: They are not commercial men?

Mr. Oatrom: Getting back to the merchandising proposition, they get back to the idea of being merchandisers; of taking the profit that should go to the jobber and using that for propaganda to further the sale of power. They start with the switch and conduit and supply for a range. They say, "We want to increase our load, and, in order to get the range to the consumer and get it installed, we are going to see that he gets the material as cheaply as possible, and we want to get the jobber's profit, in order to merchandise it -- but they do not merchandise it, they have no warehouses.

R.A. Ross: Do not some of the Companies purchase from you -- not for their own use but for re-sale? The Montreal Light, Heat & Power Company have their own stores and sell to the public just as the Hydro has attempted to do here.

Mr. Ostrom: We will always protect the dealer-contractor and I believe our arrangements with the Montreal Light, Heat & Power Company are that.

R.A. Ross: Take St. John, N.B., and Hamilton; they have their own stores and act as retailers, pushing these things just as a jobber would.

Mr. Ostrom: They would not purchase as closely as we, because we get a lot of business from them but they maintain a re-sale, although they get a closer price. The Hydro have said that they would maintain a re-sale but that is not done.

Chairman: It is not done?

Mr. Ostrom: Where it has been done the dealer-contractor has practically been driven out of carrying any stock. In the border cities: in London and in a number of other places, the dealer-contractor is unable to carry any stock of percolators, fans, vacuum cleaners, etc.

R.A. Ross: Suppose the Hydro did not go into this business of -- what do you call them?

Mr. Ostrom: Labor-saving devices.

R.A. Ross: There would be less sale and you would lose in that way. What they are aiming to sell is power.

Mr. Ostrom: We subscribe to that principle. Any central station is entitled to something to compensate them for getting these devices into the hands of the public. Long before the Hydro - in the days of the National Electric Light Association - all this had been attempted by jobbers and manufacturers - that they have the right to handle and merchandise electrical devices, if they maintain a re-sale.

Chairman: If you had the right to wipe them out, you would not do it, would you?

Mr. Ostrom: No, but the municipality should get the profit. If they have an expert going around, we say "It is your function", but, when they come to us and say "You must give us a rake-off to pay his salary", we say "That is none of your business. The central station is the town; not University Avenue".

Mr. Haney: Their principal function is the sale of power. By increasing the sale of electrical devices, what they should charge the propaganda with, is now charged to their Storage Department?

L.A. Man: Do not some of the Consolidated products stem from -- not the Black and Decker Co. in Re-Relief? The Electrical Light, and 3 Inner Toughing have their own power and pull in the radio. Just as the Hydro was attempted to be here.

Mr. Dafoe: We will always protect the Radio-Quietness and I believe that Consolidated also, the Electrical Light, Black & Decker Co. are fine.

L.A. Man: Plus it. Chm. H.E., and Radiation; they have built one plant not yet in production, making these things just on a higher scale.

Mr. Dafoe: They would not produce as cheaply as we, because we put a lot of business from them but they maintain a re-sale, although they put a minor price. The Hydro here said that they would maintain a re-sale but that is not done.

Chairman: Is it not done?

Mr. Dafoe: Since it has been done the Inter-Ventilator has practically been driven out of anything for sale. It is a member relation: in London and in a number of other places, the Inter-Ventilator is making its car which of ventilated, fans, vacuum cleaners, etc.

L.A. Man: Suppose the Hydro did not go into this business or -- what do you call them?

Mr. Dafoe: Labor-saving devices.

L.A. Man: There would be Lamp-Mole and you would have to buy your that they may claim to sell in power.

Mr. Dafoe: We subscribe to this principle. Any central station is entitled to charging to regulate them for selling these devices into the hands of the public. Long before the Hydro - in the days of the Ontario Electric Light Association - all this had been attempted by Dealers and Manufacturers - that they have the right to handle and manufacture electrical devices, if they maintain a re-sale.

Chairman: If you had the right to wipe them out, you would not do it, would you?

Mr. Dafoe: No, but the availability should go the people. If they have an expert going around, we say "It is your function". But, when they come to us and say "You must give us a monopoly to our life's salary", we say "That is none of your business. The central station is the town; not University Avenue".

Mr. Dafoe: Their principal function is the sale of power. By increasing the sale of electrical devices, such by general means the economics with, in our opinion, is

Mr. R.A. Ross: You resent the interference of another intermediary?

Mr. Ostrom: Yes.

Chairman: It does not help the consumer?

Mr. Ostrom: Not in the slightest.

R.A. Ross: It helps the municipalities in the bulk. They have a big organization back of them that can fight their battles if the goods are not satisfactory.

Mr. Ostrom: It never works out in practice. The municipalities are not all impressed with the arguments and data of a large manufacturer, who has a line of goods. They want to take advantage of the great international advertising. They have inquiries for all sorts of devices that University Avenue will not touch because they get no preferential price. They are working against their own interests. They are not gaining anything; they are holding it back. We will go to the municipality and get their business. We will sell them. Our appropriation for advertising has been over $100,000 for devices alone. We must create a certain amount of demand. We want to sell direct to the municipalities.

Mr. Haney: You sell a good many municipalities direct?

Mr. Ostrom: Yes. In spite of the Hydro, 40% of our business is with municipalities.

R.A. Ross: The smaller municipalities are left to depend on the Hydro; the larger municipalities buy direct?

Mr. Ostrom: Our men are better educated than theirs. If our business is constantly increasing, either we are better sales men or there is something wrong. We are salesmen and they are engineers and we can down them every time. It is a self evident thing that, if we have a staff of highly trained salesmen we can always merchandise cheaper than they can, because we handle, as electrical jobbers, 5000 different lines, all of which bear an infinitesimal part of the overhead; they cannot possibly sell as cheaply as we can.

R.A. Ross: Do you not think that their merchandising will peter out? They probably went into it because they had small municipalities who did not understand buying and they went into it to help the small municipalities. The bigger ones are getting on their feet and I should think it is a shrinking thing for the Hydro.

Mr. Ostrom: You would think so, but they have created a new department with two men Mr. Mickler and Mr. Taylor, I think their names are, and these men have to make their jobs pay.

Mr. Haney: Have they travellers out?

Mr. R.A. Rose: Are you aware the introduction of another introducer?

Mr. Oatrom: Yes.

Chairman: Is there any duty-free necessary?

Mr. Oatrom: Not in the slightest.

R.A. Rose: In helping the manufacturing in the bush. They have a big consignment back at them that can injure their building if the goods are not satisfactory.

Mr. Oatrom: It never works and in practice. The manufacturing are very all disposed with the consumers and have a large manufacturer, who has a line of goods. They want to take advantage of the great international advertising. They have displays for all sorts of trades. Their industry across will are lucky because they go to professional price. They are working against their competitors. They are not making anything. They are building it here. We will go to the municipality and get every building. We will sell here. The appropriation for advertising has been over $100,000 for twelve years. We make certain a certain amount of dollars. We want to sell items in the manufacturing.

Mr. Haney: The sell - good that manufacturing itself?

Mr. Oatrom: Yes. In spite of the duty, 40% of our business is with manufacturing.

R.A. Rose: The duty of manufacturing is left in favour of the duty; the larger manufacturing is duty free?

Mr. Oatrom: Our men are better educated than theirs. If we are primary in manufacturing (inaudiblen), either we are better educated or willing to manufacture work. We use salesmen and they are salesmen and we get them from every line. It is a hard product being sold. If we have a product or highly trained salesmen we get, they work, while manufacturer, pay, because we sell, or electrical, power, pole distribution line, all of which are in-trusted part of the overhead; they cannot possibly sell as simply as we get.

R.A. Rose: Do you not think that their corporations will grow rich? They probably want this if because they had small manufacturers who did not advertise anything and they were lucky to be today the great manufacturers. The bigger one is getting in order to get it and I think it is a - multiplying their for the future.

Mr. Oatrom: The small firms, in the long run, should create a new department with the men in. Middle and Mr. Taylor. I think they make more, and raise the five to make their jobs pay.

Mr. Haney: Have they travellers out?

Mr. Ostrom: No. They go out themselves.

Mr. R.A.Ross: It might have a valuable function for the Hydro in getting them in touch with what the municipalities are doing. Even if they did not sell much they are responsible for the municipalities and must look after them generally and to let their sales go on the loose might involve certain things which would not be good for the System generally.

Mr. Ostrom: There is merit in that statement but it is all a question of means How should they do it? We made a statement to them that, if they would put up block warehouses and stock goods and issue a catalogue and face the rising and falling market and do business just like any jobber, they would face a loss. If we are going to maintain the function of a jobber we must estimate what the demand is going to be. The market falls and, instead of a high profit, I have a low one but we have built up reserves and, on the average, we make money but, if we segregated our districts, we might better have our money out at 6%. Book-keeping, as I said before, is a fearful and wonderful thing. We put this all before Sir Adam and he said "We are not going to build warehouses and send out travellers" but, since then, it has all come up again.

R.A. Ross: Speaking as a jobber, are the jobbers the better or the worse for the Hydro being there- even with its activities?

Mr. Ostrom: Do you mean are they better if the Hydro existed than if it had not existed? As the electrical business developed, I think an honest statement would be that we are better. I think the others are all better off than we are. We were told by Mr. Gaby that our price must bebetter than anyone else. His argument was because we are not large power users and our competitors - I am speaking now as a manufacturer - are large power users, the Canadian General Electric etc. Our answer to that was that, with one exception - in Ontario alone - we are the highest tax payers but he said "That makes no difference; you do not use our power". We know the truth is that they do not propose to allow any privately owned company a chance. During the daysof Mackenzie and Mann they gave the Canadian General Electric all sorts of business and a certain share of that went to fight themselves. I advised our men not to quote. What was the use? If we were the lowest, we did not get the business anyhow. We were told by subordinates that our quotation was recommended for acceptance but we did not get the business. I have an appointment with Sir Adam Beck, which has been moved on from day to day on account of the goings on at the City Hall.

R.A. Ross: Has there been any move made by the Hydro, or a bluff, toward entering the telephone field?

Mr. Ostrom: Yes. That is part of their propaganda. The views are aired most at the meetings of the Union of Municipal Engineers.

Mr. Sifton, the manager at Hamilton, gave quite a harangue on "When we get into the telephone field".

R.A. Ross: They were agitating it?

Mr. Ostrom: I have seen references in Sir Adam's speeches to it. In connection with the question of tying up with the automatic telephone, the question came up as to making a connection with the Bell and one of the subordinate engineers made the statement "Oh, well, we need not worry about that; before long we will have no Bell to connect to" and Mr. Hart, the Chief Engineer said "You just shut up. You are talking out of school. " All companies in the rural constituencies of Ontario, of which there are hundreds having from ten to two thousand phones, have not connection with the Bell. There are as many rural phones, independent of the Bell, as there are Bell phones. Sir Adam Beck wants those under his jurisdiction.

R.A. Ross: Local companies financed by local capital?

Mr. Ostrom: Yes.

R.A. Ross: That will be the next thing to take up.

Mr. Ostrom: They finance just like any other private utility except that the Government looks after it and Sir Adam wants to get that under his control. But I have wandered far afield. We have proven to Sir Adam Beck's satisfaction that they cannot make money and the men have to have jobs; the work is petering out. A lot of fellows up there have not much to do and pretty fine salaries and they have to find something to do.

R.A. Ross: Self-preservation is the first law of nature.

Mr. Ostrom: It is the reason for my earnestness.

Mr. Haney: Well, they must have supervision and something to do with the lamps, for instance. The manufacturers put lamps on the market which would not last more than a short number of hours.

Mr. Ostrom: Competition covers that.

Mr. Haney: What is the life of your lamps now.

Mr. Ostrom: 1000 hours. The Hydro want a lamp with a greater life.

Mr. Haney: Do the Hydro not insist on that?

Mr. Ostrom: No. Because they could not get away with it.

Mr. Haney: It is the current that they are after. They want to sell the power.

Mr. Ostrom, the manager of Hamilton, gave quite a harangue on "When we put into the telephone Hell".

R.A. Ross: They were arguing ???

Mr. Ostrom: I have been interested in Mr. Ross's remarks in it. In connection with the question of going by with the auto-matic telephone, the question came up to me during a conversation with the girl who was at the exchange. Mr. Ostrom made the statement "Oh, well, we need not worry about that; Harry Long is still alive in Hell to remove it" and so, that, he did not believe with "You just wait up. You are talking out of school." All engineer in it is very interesting as infuriating of which other are involved working upon it two thousand phones have not connection with the Hell. There are a very small number, interpreted to the Hell, so that are full phones. Mr. Ostrom said he was under the impression

R.A. Ross: Local magnetos thrown by local magnet?

Mr. Ostrom: Yes.

R.A. Ross: That will be the next thing to take up.

Mr. Ostrom: They thought just like my that private utility people that in Lethbridge there is and it has been wrong to put that under the control. But I have endorsed the action. We were present to Mr. Ross's qualifications that they should pay money and the men are to have jobs the work is paying well. I put it to Ottawa by them are not paid in to our party the operator and they have to send something to us.

R.A. Ross: Self-preservation is the first law of nature.

Mr. Ostrom: It is the reason for my assertions.

Mr. Harvey: Well, they must have registers and possibly to be with the Lamp, Mr. Ostrom. The manufacturer put lamps on the market which makes not last more than a short number of hours.

Mr. Ostrom: Competition serves that.

Mr. Harvey: What is the life of your lamps now.

Mr. Ostrom: 1000 hours. Mr. Ryan said a long life a quarter life.

Mr. Harvey: Is the Ryan not better on that?

Mr. Ostrom: No. [illegible] not any with it.

Mr. Harvey: Is the general that they are [illegible]. They need to call the power.

R.A. Ross: There is a technical condition there. Where power is cheap, you want your lamps to last long. Where you have a lamp standardized by the Lamp Association (the National Electric) practically all the lamp business is under one control.

Mr. Ostrom: The lamp is different from anything else because the General Electric control it.

R.A. Ross: The have issued a lamp which might be suitable for New York but not for Toronto.

Mr. Ostrom: Yes. They make our lamps. It is cheaper for them to make our lamps than to start a factory and pay royalties.

Mr. Haney: I have lamps in my house that are good and they have been installed for four years.

Mr. Ostrom: They are using a lot of current. Lamps, I should say, are an exception to the general situation of apparatus. In building vacuum cleaners, transformers, etc., you could not build a flimsy article and get away with it.

R.A. Ross: That day is gone.

Mr. Ostrom: Although they did make some pretty rugged machinery: But they did get away with some pretty funny things!

Chairman: I do not know that you said just now just what proportion of the business done with the local Hydro stores is done with you and what proportion with the Hydro.

Mr. Ostrom: I do not know much about what they do with the Hydro but I should say that 40% of our entire business is done with the municipalities.

Chairman: Suppose I am running the Toronto store. What proportion of its stock would it buy from the jobbers and what proportion does it buy from the Hydro?

Mr. Ostrom: I would say that the jobbers sell 95% and the Hydro 5% and they maintain an expensive organization to sell 5%. London buys nothing; Toronto buys nothing; Hamilton buys quite a little.

Chairman: It is not very serious;

Mr. Ostrom: No, but it is a constant irritation.

R.A. Ross: I think the Hydro is wise to keep in touch with the sales to these municipalities. They are right in the game and know prices.

Mr. Ostrom: They always know the prices when we submit material for inspection.

Mr. Bean: There is a technical condition there. Hydro power is short, you must pay dearly to last long. Where you have a long condition by the long transmission (the Kerinci District) practically all the long transmission is under one control.

Mr. Ostrom: The long is distinct from supplying also because the Central Electric control it.

Mr. Bean: The law legal a long time that might be satisfied for New York but not for Toronto.

Mr. Ostrom: Yes, they make our lamps. It is cheaper for them to make our lamps than to start a factory and pay royalties.

Mr. Doney: I have lamps in my house that are good and they have been installed for many years.

Mr. Ostrom: They are using a lot of current. Lamps, I should say, are an exception to the general attraction of apparatus. In building vacuum cleaners, washing machines, etc., you could not build a flimsy article and get away with it.

Mr. Bean: That day is gone.

Mr. Ostrom: Although they did make some pretty rugged machinery; but they did not carry on with some pretty flimsy things!

Chairman: I do not know if you will look at that page proportion of the business done with the local electric mines in Ontario from the Hydro properties with the light.

Mr. Ostrom: I do not know much about what they do with the Hydro but I should say that 80% of our entire business is done with the municipalities.

Chairman: Suppose I am running the Toronto plant. What proportion of the power would it buy from the jobbers and what proportion does it buy from the Hydro?

Mr. Ostrom: I would say that the jobbers sell 95% and the Hydro 5%. But they maintain an expensive transmission to sell 5%. Jobbers buy nothing; Toronto buys nothing. Hamilton buys quite a little.

Chairman: It is not very serious;

Mr. Ostrom: No, but it is a constant irritation.

Mr. Bean: I think the Hydro is wise in keep in touch with the cities in these municipalities. They are right in the game and know prices.

Mr. Ostrom: They always know the prices when to market materials for importation.

R.A. Ross: But they would only have an academic interest.

Chairman: Perhaps, if you thought they were not watching you, you might charge a little more.

Mr. Ostrom: We are only human but you cannot get away with an illegitimate profit.

R.A. Ross: You have learned that today. It took a long time to learn it.

Mr. Ostrom: It did not take us a long time to learn it.

R.A. Ross: You people have done a decent business and you are reputable but there are a lot of little fellows.

Mr. Ostrom: We find all kinds of peculiar things. We know of a case where a jobber went to the States and bought $2000 worth of goods. He paid $500 and got a receipt. He said, when you invoice me, invoice me for $1500. We got onto that and advised the Customs and, in the meantime, he refused to pay the $1500. They came over here to sue him and his lawyers told him to get out because he had connived at a fraud. The Hydro correct a lot of those conditions. I am not condemning the Hydro; they have improved business for us, but they have a lot to learn.

Chairman: Is not there this advantage in dealing with the Hydro stores, that you are sure of your money?

Mr. Ostrom: Yes. Dealing with the local municipality.

Chairman: So that the establishment of these stores has been a good thing for you. Is it not a fact that, very often, the dealer's financial standing is very shaky?

Mr. Ostrom: It would be absurd to say that the Hydro does not stimulate business.

R.A. Ross: I fancy the trouble they can cause with 5% against your 95% does not amount to anything.

Mr. Ostrom: But it is growing and they had the manufacturers scared stiff. They said "You have to give us a better price".

R.A. Ross: I think these Hydro men are pretty good business men, after all.

Mr. Ostrom: Yes, but there is a lot of bluff. A lot of men overseas who had commissions, came back and said "I want a job at $3000 a year. I have demonstrated that I can handle men", but they forgot that they had the authority of the Government back of them. It is the same with the Hydro.

R.A. Ross: You would not expect men, who are only doing a certain amount of merchandising as a side issue to compete with

M.L. Tone: But they would only have an academic interest.

Chairman: Perhaps, if you thought they were not wasting you, you might do it a little more.

Mr. Oatrom: We are only human but you cannot get away with an illogical thing.

M.L. Tone: You have learned that lesson. It took a long time to learn it.

Mr. Oatrom: It did not take us a long time to learn it.

M.L. Tone: You supply the fact a decent business and you are responsible for there being a lot of little failures.

Mr. Oatrom: We that all kinds of possible failure. We know of a case where a jobber went to the banks and bought 2000 sets of gears. He paid 1000 and got a receipt. He said, "Now you tackle me, Jarvis or my friend." He got onto that and analyzed the gears and, in the meantime, he refused to pay the 1000. What was Jarvis to do? He gave him back the 1000 and he forgot all about it and he became in his memory a friend. The jobber figured a lot of this conditions. I am not concerned with them; they have learned business now, they have paid a lot to learn.

Chairman: We must study this situation in dealing with the Hydro stores. Will you give us your first memory?

Mr. Oatrom: Yes. Dealing with the least profitable.

Chairman: So that the establishment of these stores has been a good thing, has it? It is not a fact that, very often, the dealer's financial standing is very shaky?

Mr. Oatrom: It could be quite true that the jobber been not efficient in business.

M.L. Tone: I know the trouble you are in. I know that you have had less and less money to anything.

Mr. Oatrom: But it is greatly and they had to wait. Sometimes several years. They said "You have to give us a better price".

M.L. Tone: I think these Hydro men are pretty good business men, after all.

Mr. Oatrom: Yes, but there is a lot of work. A lot of time overtaxes the had commitment, then bankrupt and all that is left is 1000 a year. I have investigated that. I can tell you that they never kept the authority of the investment book of them. It is the same with the Hydro.

M.L. Tone: You would not expect men, who are only doing a certain amount of responsibility, to make large sums of money.

your men whose sole business is merchandising.

Mr. Ostrom: No.

Chairman: Is there any danger of them going on with this again?

Mr. Ostrom: Surely. They have to make jobs for themselves or else become consulting engineers.

R.A. Ross: Any engineer, who is out of a job, becomes a consulting engineer right away.

Chairman: What do you think of the power which the Hydro has? Do you think it is desirable for the Hydro to be the inspector of all electrical installations throughout Ontario? What is to be said for it and what is to be said against it?

R.A. Ross: The question being whether they can be impartial enough to examine their own and rival concerns equally.

Mr. Ostrom: We have been told that they discriminate.

R.A. Ross: It is a situation that might be abused. Is it?

Mr. Ostrom: I do not think the abuse is serious, but I think it -- I think as long as Sir Adam Beck is there, there is not much chance of dishonesty. I think they are all actuated by ideas of honesty. I am not talking of ignorance, I am talking of honesty. What the tendency would be if they were given a free hand to pass their own work I do not know. I did some wiring myself and got a certificate from an inspector, signed in blank. I know the work was all right but he was a friend. I fancy if the H.E.P.C. were not in any kind of merchandising business, except the selling of power, it is a benefit to have them. But the minute they have anything to do with the selling end, they should have nothing to do with the inspecting. It gives them a power which can be abused and which abuse would grow if they were not actuated by a man against whose honesty I have never heard anyone say a word.

Chairman: Where they compete with other electrical companies in the same locality?

Mr. Ostrom: We hear that they do discriminate in Hamilton and pass inspections. It was told to us that a man ordered a range from the competing interests in Hamilton but could not get a service for it. He was told that if he bought a range at the H dro it would be connected up the next day I cannot prove these things but we hear them. They are told us by disgruntled people and I suppose there is something in it.

Chairman: Would the tendency not be, in case of difficulty, to buy from the Company who was doing the inspecting?

Mr. Ostrom: Certainly.

R.A. Ross: You have an advantage over the Hydro in that, in the ordinary country town, they would rather buy from their friends than from an impersonal thing like the Hydro.

Mr. Ostrom: You would think so but it does not carry out. The local superintendent was probably a lineman and has friends. The dealer-contractor in the town has developed into what we call a..... If we can sell the municipality, let them take the profit; we do not worry about it.

R.A. Ross: The dealer in the small town carries electrical equipment merely as a side line to his hardware, etc. Is that not the case?

Mr. Ostrom: No, up to within the last few years, the local dealer-contractor -- if the jobber would not give him goods on consignment, which we will not do but which some jobbers do - could buy on long time payments and commercial agencies would take lien notes, given by the consumer to the contractor-dealer. In that way they did get in stock and were able to carry a small representative stock of devices but very few of them do it, even now.

R.A. Ross: The ordinary jobber, as I remember him, in the small town is a man with a dirty store, trying to get rid of relics of ten years ago. He does not push his goods.

Mr. Ostrom: That was so.

Chairman: In oakville there is a store that sells nothing but electrical devices.

Mr. Ostrom: Yes.

R.A. Ross: They are coming in are they? Throughout the other Provinces, that is about the way the goods are handled as I see it.

Mr. Ostrom: That is the benefit of the Hydro. It wakened up the trade generally to go out and educate these dealers. We have window dressers, etc., to assist them and we have always explained this to the Hydro and have offered to throw into a common pool a proportion of our advertising appropriation and let the Hydro dictate what the advertising would be; how it should be spent----
the idea of selling power, taking a washing machine but not John Brown's washing machine but they said, "No, we will do it all ourselves. If you want to do business with us, get down on your hands and knees and crawl in here." That is the attitude of the subordinate. I never had any of them treat me that way because I would not stand for it but our men get scared to death and think they are going to lose an order. It is our bread and butter not to fight with the Hydro and we have no intention of doing it.

R.A. Ross: I do not think those two poor amateurs (Messrs. Mickler and Taylor) can do much against your hosts of travellers.

R.L. Jones: You have an advantage over the Ford in that, in the ordinary country town, they would rather buy from their friends than from an impersonal rating like the Ford.

Mr. Dutton: You would think so but it does not carry out. The local superintendent was probably a Ulsterman and has friends. The Salesmanship is the town man travelling into what we call ..... If we can sell the machinery, let them take the profit; we do not worry about it.

R.L. Jones: The dealer in the small town survey electrical equipment really has a rude life to his partners, eh. Is that not the case?

Mr. Dutton: No, up to within the last few years, the local dealer-contractor -- if the farmer would put into his grade on equipment, which we will not do but which some farmers do - would buy on long time payments and commercial equipment would take them notes, given by the farmer to the contractor-dealer. In that way they got in touch and were able to carry a small representative down. I believe but very few of them do it, even now.

R.A. Ross: The milking lobby, as I remember him, in the small town is a man with a dirty face, trying to get rid of rubbish of ten years ago. He does not grab his grade.

Mr. Dutton: That was so.

Chairman: In carrying there is a case that sells anything but electrical devices.

Mr. Dutton: Yes.

R.A. Ross: They are coming in now very frequent the other Provinces. That is what the very fine work we handled has done.

Mr. Dutton: That is the benefit of the Ford. It endeared to the trade generally to us and others been dealers. We have window dressers, etc., to assist them and we always explained this to the farmer and tried to where just a summer call a reputation of our advertising appropriation and let the Ford dealer know the advantage they would be; but it should be used----

the idea of selling power, taking a meeting meeting and John Brown's meeting machine but they said, "No, we will do it all ourselves. If you want to do business with us, put down on your hands and knees and prove it to us." That is the attitude of the subdominate. I never had any of them treat me that way because I would not stand for it but are now get above to test and think they are going to lose an order. It is our bread and butter not to fight with the Ford and we have no intention of doing it.

R.L. Jones: I do not think these two poor amateurs (Messrs. Miller and Taylor) can do much against your boats of travelers

Mr. Ostrom: Our problem with the Hydro is merely an isolated domestic one. We have indicated to us constantly that we are enemies of public ownership and friends of private ownership; that we sit in the lap of the Bell. The Canadian General Electric let us pull their chestnuts out of the fire for them and did not appear on the scene. Our handwriting was seen on the wall by the Hydro, so do not get the impression that the Hydro is an enemy to electrical merchandise. We have our own battles to fight and we are quite capable of fighting them.

Mr. Haney: Do I understand that the position at present is not a very serious one from a financial standpoint; that is, the competition between the Hydro and the Jobbers?

Mr. Ostrom: We think it serious. It is not as serious as it was but we think it will become more serious.

Mr. Haney: You fear what will be done in the future, in view of what has been done in the past.

Mr. Ostrom: We are afraid from the progress they made before we wakened up.

Mr. Haney: Now that you are awake, do you not think you can hold them?

Mr. Ostrom: The point is this that there is a curbing influence at the Hydro that will not always exist; Mr. Drury may not always be there. There might be someone in power who would say "Go ahead and do as you please." I do not want to see the H.E.P.C. with the power it had when Sir James Whitney was in power.

Mr. Haney: It is the future you fear rather than the situation as at present.

Chairman: Do you fear that they will go into manufacturing?

Mr. Ostrom: Mr. Jeffrey said they would manufacture in time and that is what scared the manufacturers. The manufacturer does not sell anything. He sells through us all his material.

Mr. Haney: It is the fear that, if they went into manufacturing, they would have unlimited capital?

Mr. Ostrom: Yes. Coupled with the fact that they do not know the cost of anything.

Chairman: Can they manufacture?

Mr. Haney: Where is their capital coming from?

Mr. Ostrom: From the people of course; raised with the usual debentures.

Chairman: You have another restraining influence and that is the local Hydro. They resent being told. You say that the Toronto Hydro will not buy from the Hydro. Is not that

Mr. Oatson: Our problem with the Hydro is merely an isolated domestic one. We have indicated to an overwhelmingly that we are absolutely in favour of getting the Islands of private ownership; that we rely in the law of the land. The Minister General Electric let us pull their chestnuts out of the fire for them and did not appear on the scene. We are indebted to them on the well by the Hydro, we do not put the responsibility for the Hydro in an energy to electrical manufacture. We have our own building to light and we are quite capable of doing that.

Mr. Haney: Do I understand that the position at present is not a very positive one from a financial standpoint; that is, the relationship between the Hydro and the Cabinet?

Mr. Oatson: We think it satisfies. It is not as perfect as it was but we think it will become more perfect.

Mr. Haney: You don't what will be done in the future, in view of what has been done in the past.

Mr. Oatson: We are afraid from the experience they made before we made it.

Mr. Haney: Now that you are sure, do you not think you can make it?

Mr. Oatson: The point is this: that there is a certain influence at the Hydro that will not allow entry; so, Haney may not allow us there. There might be someone in power who would say "Go ahead and do as you please." I do not want to see the H.E.P.C. with the power if and when the Liberal Party was in power.

Mr. Haney: It is the future you fear rather than the situation as at present.

Chairman: Do you fear that they will go into manufacturing?

Mr. Oatson: Mr. Chairman said they would manufacture in time and that is why several the manufacturers. The manufacturer also not will supplying. We deals through to all his material.

Mr. Haney: Is this fair that, if they went into manufacturing, they would have unlimited supply?

Mr. Oatson: Yes. Coupled with the fact that they do not know the risk of supplying.

Chairman: Can they manufacture?

Mr. Haney: Where is their capital coming from?

Mr. Oatson: From the people of course; raised with the usual debentures.

Chairman: Has Hydro any other restricting influence and that is the local Hydro. They report being well. Yes they that the Premier Hydro will not buy from the Hydro. Is not that

spirit developing - "We will buy where we please."?

Mr. Ostrom: Yes, but they would swallow all that if the Hydro came along and gave them a better price. They sell at a lower price than they pay in order to get a foothold. We know this to exist and can prove it but Sir Adam knows nothing about it. These fellows must make their jobs go. The natural step for them to take now, if the men are going to keep their jobs, is to go into the merchandising and manufacturing business, but they cannot merchandise as cheaply.

Mr. Haney: How many men would they have of that class?

Mr. Ostrom: That would lead up to how many men they could do without. if they were not doing these things, which I could not say off-hand.

R.A. Ross: What sort of things have they been manufacturing?

Mr. Ostrom: They have been manufacturing some sub-stations equipment, which could hardly be considered as manufacturing; for instance, their panels. I do not know that you could quarrel with that; any central station would do that.

Mr. Haney: And they have been making improvements, I suppose, all the time?

Mr. Ostrom: Yes. Take 10,000 volt switches. We could not get those until the Hydro developed their own. They had to do this because the Companies would not do it for them. Somebody has to pay for this development work when you are faced with a transmission problem that has not heretofore existed. The Manufacturers would not do it unless they saw an order. They did it themselves.

Mr. Haney: That would cost them more than if there was a quantity required?

Mr. Ostrom: Although I think they have made lots of mistakes. If they had put the proposition up to the manufacturers, the manufacturers would have saved them a lot of money. They drew up arbitrary specifications.

R.A. Ross: The manufacturer must hit a wide market with his product and he gets a sort of compromise article that will hit all markets. The Hydro has to have a very special thing for themselves.

Mr. Ostrom: They often say that to us. We bring experts from the States and they say "We want a certain switch and you have not got it; unless you can develop that switch, we are not interested in talking to you at all. That is their right and they start to work to experiment themselves. It is a question if they do it economically but that is not our business.

Mr. Haney: Have they a central manufacturing system?

Mr. Ostrom: No, this is all hand work.

R.A. Ross: I think it is at the terminal station.

Mr. Ostrom: It is pretty much ~~confirmed~~ combined to switchboard work - any manufacturing they do. Any central station would do the same thing.

R.A. Ross: I fancy that the amount of power behind those bus bar supports must be heavy and that they have probably developed insulators for that purpose.

Mr. Ostrom: I think they have. They have enlarged it or strengthened it to suit extraordinary conditions which there is no demand for, so the manufacturer would not make it. The H.E.P.C., as long as they do anything for their own system could not be objected to by any manufacturer.

Chairman: When the Hydro approves a device, does it fix the price at which you should sell it?

Mr. Ostrom: No. I do not think they fix any prices. When they approve a device, they get the manufacturer to make it at a certain price and would put their own price on that and would also put the H.E.P.C. name plate on but we laughed at them for that and they have not their name plate on anything now because if they buy everything from one maker, the other makers get no business and next year they find it is no cheaper at all. My argument is that they do not know how to buy. It is not their function.

Mr. Haney: It would be interesting to know how many men, in your judgment, they have about their institution, who are not needed?

Mr. Ostrom: I would go over their personnel very carefully before I would answer that.

R.A. Ross: I understand, from what you have said, that there are only two men interested in that. Have they other men out competing with the agents of the private Companies?

Mr. Ostrom: I believe not.

Mr. Haney: They would have agents through the rate-making department because the sales department is not the rate-making department.

Mr. Ostrom: Yes, they all do more or less propaganda work.

Mr. Haney: The question I asked is: You made the statement that there are a certain number of men who, owing to the large construction that has been going on, have become connected with the instutition, and, unless they develop their lines, they must get other jobs; the number of these men would be very interesting.

Mr. Haney: Have they a central manufacturing system?

Mr. Ostrom: No. This is all hand work.

R.A. Rose: I think it is at the terminal station.

Mr. Ostrom: It is really much cheaper to unionized work - any manufacturing they do. Any central station would do the same thing.

R.A. Rose: I think that the amount of power taking place has been exceedingly many in Canada and that they have probably established branch stations for their employes.

Mr. Ostrom: I think they have. They have analyzed it by electrical in its most extraordinary conditions which there is no demand for, so the manufacturer would not make it. The R.C.A.C., as they do anything for their own system should not be objected to by our manufacturer.

Chairman: When the Ford system operates a device, does it fix the price at which you should sell it?

Mr. Ostrom: No. I do not think that fix any prices. When they operate a device, they put the manufacturer to make it at a certain price and unless you their own price on that and would also put the R.C.A.C. name plate on but we imagined at them for year and they have not that's made plate on anything are because if they buy everything from one maker, the other makers get no business and very rare that it is so cheaper at all. My argument is that the do not make for us. It is not really concern.

Mr. Haney: It would be interesting to know how many men, in your company, they have that institution, who are not related.

Mr. Ostrom: I could go over their pay-roll very easily before I would answer that.

R.A. Rose: I understand, from what you have said, that there are only two are interested in this. Are they either men connecting with the agents of the private Companies?

Mr. Ostrom: I believe not.

Mr. Haney: They would have certain through the rate-making department because the sales department is not the rate-making department.

Mr. Ostrom: Yes, they all do more or less propaganda work.

Mr. Haney: The question I asked is: You made the statement that there are a certain number of men who, owing to the large construction that has been going on, have become connected with the institution, and, unless they develop their time, they must get other jobs; the number of those men

Chairman: I do not see how Mr. Ostrom would find that out.

Mr. Haney: You made that statement and, from my viewpoint, it is a very pertinent one.

Mr. Ostrom: You must remember that this situation was much worse before we had this discussion with Sir Adam Beck than it is now. They have laid off dozens of men.

Mr. Haney: What I want is to get Mr. Ostrom's view. Here is Tom, Dick and Harry; they have a dozen different jobs to do, as well as the work you say that he has to do in connection with your line.

Mr. Ostrom: After careful thought, I would not be afraid to make a statement as to the number of unnecessary men.

Chairman: I think if you questioned these men you would get a statement from them.

Mr. Ostrom: When I ask questions at the H.E.P.C. office they tell me they are so busy getting inform tion for the Gregory Commission they have no time to do anything else.

Mr. Haney: According to your statement, they should have time to do anything.

R.A. Ross: Every single man who is under contract with the local Hydro is a propagandist, but, with all that you get 95% and they get 5%?

Mr. Ostrom: When you say "We" you mean the class of business we represent.

Mr. Haney: And the question is if it is not worth that 5% to get all the business that you get?

Mr. Ostrom: But if the good old Tories get back there...

R.A. Ross: I think you are better without them than with them.

Mr. Ostrom: I am not going to admit that but I will say with Mr. Sise that sometimes I get scared of the Hydro.

R.A.R; It is a thing that might be abused.

Mr. Ostrom: If it was always run by an honest man, it would be alright but no man has a lease of life. His intentions do percolate through but I would rather have a rogue who had some control of his men than an honest man who was a fool. I am not afraid to give my ideas of the personnel.

Mr. Haney: Give us your thought and give us some idea of the number of men.

Mr. Ostrom: I think you would be well advised if you questioned some of these men and found it that way too.

Chairman: I do not see Harry. Gordon said that he's out.

Mr. Henry: You made that statement and, from my viewpoint, it is a very pointed one.

Mr. Gordon: You must remember that the situation was much worse before we had this discussion with the Town than it is now. They have lost out a number of men.

Mr. Henry: What I want to point Mr. Gordon's view. Here is Town, this is Harry; that gives a very different job to do, as well as the work you say that he has to do in connection with his line.

Mr. Gordon: After careful thought, I would not be afraid to make a statement as to his manner is unnecessary now.

Chairman: I think if you particularize there can you really get a statement from them.

Mr. Gordon: Then I am relating to the C.P.U. after they tell me they are no longer getting dollars from the Treasury Department they have to give to organized labor.

Mr. Henry: According to your statement, they would have time to do anything.

Mr. Tom: Every single man has in under contract with the local union is a responsibility, but, with all that you get with all that you get?

Mr. Gordon: Now you say "No" yet seem the other of business to remember.

Mr. Henry: And the question is if it is not such that it to put all the business that you get?

Mr. Gordon: But if the good old Tories get back there...

Mr. Henry: I think you are better without them than with them.

Mr. Gordon: I am not going to admit that but I will say with Mr. Glas that sometimes I get excited at the C.P.U.

Mr. Henry: It is a thing that might be abused.

Mr. Gordon: If it was always one or an honest man, it would be alright but no man has a lease of it. His intentions do vary. Thanks, but I would rather have a Tories who had some control of his men than an honest man who was a fool. I am not afraid to give my ideas of the government.

Mr. Henry: Give us your thought and give us some idea of the number of men.

Mr. Gordon: I think you would be well advised if you questioned some

Mr. Haney: Any man may make a statement, which he is honest in making, but he may not be correct but we can get the judgment of two or three men.

Mr. Haney:

Any man may make a statement, which he is moment in making, but he may not be correct but we can get the judgment of two or three men.